

Introduction

EPA's Mission

The mission of the Environmental Protection Agency (EPA) is to protect human health and safeguard the

natural environment--air, water, and land--upon which life depends.

EPA's Goals

EPA currently has a series of ten strategic, long-term Goals in its Strategic Plan. In combination with EPA's core principles, these goals define the Agency's planning, budgeting, analysis, accountability, and implementation processes.

- **Clean Air:** The air in every American community will be safe and healthy to breathe. In particular, children, the elderly, and people with respiratory ailments will be protected from health risks posed by polluted air. Reducing air pollution will also protect the environment by restoring life in damaged ecosystems, reducing health risks to those who subsist on those ecosystems, and yield many other benefits.
- **Clean and Safe Water:** The American public will have drinking water that is clean and safe to drink. Effective protection of America's rivers, lakes, wetlands, aquifers, coastal and ocean waters will support wildlife as well as recreational, subsistence, and economic activities. Watersheds and their ecosystems will be restored and protected to provide wildlife habitat, reduce flooding, and enhance water quality thus improving public health.
- **Safe Food:** The food that the American public eats will be free from unsafe pesticide residues. Particular attention will be given to protecting subpopulations that may be more susceptible to adverse effects of pesticides or have higher dietary exposures to pesticide residues. These subpopulations include children and individuals with diets that include large amounts of noncommercial foods.
- **Preventing Pollution and Reducing Risk in Communities, Homes, Workplaces, and Ecosystems:** Pollution prevention and risk management strategies aimed at eliminating, reducing, or minimizing emissions and contamination will result in cleaner and safer environments. EPA will safeguard ecosystems and promote the health of natural communities, integral components of this nation's quality of life.
- **Better Waste Management, Restoration of Contaminated Waste Sites, and Emergency Response:** America's wastes will be stored, treated, and disposed of in ways that prevent harm to people and the natural environment. EPA will work to clean up previously polluted sites, restore them to levels appropriate for surrounding communities, and respond to and help prevent waste-related or industrial accidents.
- **Reduction of Global and Cross-Border Environmental Risks:** The United States will collaborate with other nations in successful, multilateral efforts to reduce significant risks to human health and ecosystems from climate change, stratospheric ozone depletion, and other hazards of international concern.
- **Quality Environmental Information:** At all levels, the public and decision makers will have access to quality information about environmental conditions and human health to make informed decisions and help assess community environmental health. The public will also have access to educational and information services and tools that provide for the reliable and secure exchange of quality environmental information.
- **Sound Science, Improved Understanding of Environmental Risk, and Greater Innovation to Address Environmental Problems:** EPA will develop and apply the best available science to address current and future environmental hazards and develop new approaches to improved environmental protection.
- **A Credible Deterrent to Pollution and Greater Compliance with the Law:** EPA will ensure full compliance with laws intended to protect human health and the environment.
- **Effective Management:** By managing for results, EPA will maintain the highest-quality standards for environmental leadership, effective internal management, and fiscal responsibility.

Overview

Annual Plan and Budget Overview

The EPA's FY 2004 Annual Plan and Budget requests \$7.6 billion in discretionary budget authority and 17,850 Full Time Equivalents (FTE). This budget request supports the Agency's core programs and implementation of critical components of the President's Management Agenda. Additionally, this request emphasizes the importance of adequate resources and vision necessary to reach our nation's environmental goals. Resources also support the Agency's efforts to work with its partners toward cleaner air, purer water, and better-protected land, as well as providing for EPA's role in safeguarding the American people from terrorist acts. The request also supports the Administration's commitment to setting high environmental protection standards, while focusing on results and performance, and achieving goals outlined in the President's Management Agenda.

Implementation of the President's Management Agenda is a major focus of the Agency's FY 2004 budget request. EPA has identified major efforts to accelerate its progress in "getting to green" in all five initiatives: Budget and Performance Integration, Improved Financial Performance, Expanding E-Government, Competitive Sourcing, and Strategic Management of Human Capital. The Agency's plans are described throughout this justification. The Office of Management and Budget (OMB) rated progress "green" in all five areas.

Strengthening Base Environmental Programs

This Annual Plan and Budget submission demonstrates EPA's commitment to our principal objectives—safeguarding and restoring America's air, water, and land resources—by strengthening and refining our base environmental programs. This budget supports the President's Clear Skies Initiative, an aggressive plan to cut power plant emissions by 70 percent. Such emissions cuts will be an essential component of improving air quality and thus human health. Additionally, EPA's budget request places a strong emphasis on core water programs to improve our water management framework, program implementation, and information sharing. To help states and tribes fill critical gaps in fulfillment of their Clean Water Act responsibilities, this budget increases funding to states, tribes, and interstate agencies. EPA's plan also requests a \$150 million increase for Superfund remedial cleanup costs.

Fostering Stronger Partnerships

The Agency is committed to building and enhancing effective partnerships. To do so, this budget provides \$210.7 million, \$10 million above last year's funding, for Brownfields. As one of the Administration's top environmental priorities and a key to restoring contaminated sites to productive use, the Brownfields program will draw on these additional resources to enhance

state and Tribal response programs. By protecting land and revitalizing contaminated sites throughout the US, EPA continues to expand efforts to foster healthy and economically sustainable communities and attract new investments to rejuvenated areas. This budget also requests increased funds over the FY 2003 President's Request for the Federal enforcement workforce. The Agency will maximize compliance and achieve environmental results through targeted inspections and enforcement, by responding to public and other complaints, and enhancing field presence to address environmental law violators. In FY 2004 EPA will conduct

a study to assess environmental service delivery systems, including EPA's National Environmental Performance Partnership System.

Enhancing Strong Science

Sound science is a fundamental component of EPA's work. The Agency has long relied upon science and technology to help discern and evaluate threats to human health and the natural environment. Much of our decision-making, policy, and regulatory successes stem from reliance on quality scientific research aimed at achieving EPA's environmental goals. This budget increases funding for modernization and expansion of the Integrated Risk Information System (IRIS)—a database of human health effects that result from exposure to various environmental substances. Our proposal also allocates additional resources to research America's sensitive populations, including children and the elderly. In addition, EPA is requesting resources for the newly established Science Advisor. The Science Advisor will be responsible for ensuring the availability and use of the best science to support Agency policies and decisions, as well as advise EPA's administrator on decisions. The Agency is also taking a number of steps to attract and maintain a high quality, diverse scientific workforce to improve the use of science in EPA's regional offices.

Cleaner Air

The Clear Skies initiative draws on EPA's experience to modernize the Clean Air Act. Using a market-based approach, the Clear Skies Initiative will

The number of people living in areas with monitored ambient ozone concentrations below the NAAQS for the one-hour ozone standard will increase by 1% (relative to 2003) for a cumulative total of 20% (relative to 1992).

dramatically cut power plants' emissions of three of the most significant air pollutants--SO₂, nitrogen oxides (NO_x), and mercury. Reductions in SO₂ and NO_x emissions will also reduce airborne PM_{2.5}. EPA's approach builds upon

the success of the acid rain cap-and-trade program created by Congress in 1990. The Clear Skies initiative will achieve substantially greater reductions in air pollution from power plants more quickly and with more certainty than the existing Clean Air Act. The initiative requires mandatory cuts of SO₂, NO_x, and mercury (Hg) by an average of 70% from today's levels, and ensures that these levels are achieved and sustained through caps on emissions. Despite these reductions, some states will need to implement further measures to meet National Ambient Air Quality Standards (NAAQS). To help states and localities develop cost-effective strategies, EPA also will need to provide assistance to states to implement reductions.

In FY 2004, EPA will assist states, tribes and local governments in devising additional stationary and mobile source strategies to reduce ozone, particulate matter, and other pollutants.

The Agency will develop strategies and rules to help states and tribes reduce emissions and exposure to hazardous air pollutants, particularly in urban areas, and

Air toxics emissions nationwide from stationary and mobile sources combined will be reduced by an additional 2% of the updated 1993 baseline of 6.0 million tons for a cumulative reduction of 37%.

reduce harmful deposition in water bodies. A key to achieving the Clean Air Goal is \$235.6 million included in this budget for air grants that support states and tribes.

EPA's air research program will continue to provide a strong scientific basis for and policy and regulatory decisions and exploring emergency problem areas.

Addressing Climate Change

This budget request includes \$130.0 million to meet the Agency's climate change objectives by working with business and other sectors to deliver multiple benefits – from cleaner air to lower energy bills – while improving overall scientific understanding of climate change and its potential consequences. The core of EPA's climate change

Greenhouse gas emissions will be reduced from projected levels by approximately 81 MMTCE per year through EPA partnerships with businesses, schools, state and local governments, and other organizations.

efforts are government/industry partnership programs designed to capitalize on the tremendous opportunities available to consumers, businesses, and organizations to make sound investments in efficient equipment and practices. These programs help remove barriers in the marketplace, resulting in faster deployment of technology into the residential, commercial, transportation, and

industrial sectors of the economy. EPA's Global Change Research Program supports one of six Administration FY 2004 Interagency Research and Development Priorities - Climate Change Science and Technology. EPA will continue research in this area in FY 2004 to address Climate Change Science Program (CCSP) needs.

Purer Water

Since enactment of the Clean Water Act (CWA) and Safe Drinking Water Act (SDWA) three decades ago, government, citizens, and the private sector have worked together to make dramatic improvements in the quality of surface waters and drinking water supplies. Despite improvements in water quality nationwide, serious water pollution and drinking water problems, including nonpoint source pollution, still exist.

- **Strengthening Water Core Programs.** In FY 2004 the Agency will place a strong emphasis on core water programs--monitoring and assessment, standard setting, watershed planning, and implementation (i.e., NPDES and drinking water). Through investments in core water programs, EPA hopes to remedy significant environmental problems and boost environmental performance by:
 - Working with the states to enhance their monitoring and assessment programs, with an emphasis on a probabilistic, science-based approach in assessing water quality, increasing

Water quality will improve on a watershed basis such that 625 of the nation's 2,262 watersheds will have greater than 80 percent of assessed waters meeting all water quality standards, up from 500 watersheds in 1998.

the number of waters directly measured, and unifying Federal, state, and local monitoring efforts.

- Assisting states and tribes in ensuring that water quality standards are effective and appropriate for use in developing Total Maximum Daily Loads (TMDLs).
- Increasing the pace of TMDL development and working with states to assure implementation of already approved TMDLs, including targeting CWA Section 319 nonpoint source funding.
- Assisting states in ensuring that facilities required to have permits are covered by current and effective permits that include all conditions needed to ensure water quality protection.
- Strengthening the drinking water implementation

program to maintain effective state and Tribal programs and to achieve the enhanced level of

92 percent of the population served by the community water systems will receive drinking water meeting all health-based standards in effect as of 1994, up from 83 percent in 1994. 85 percent of the population served by community water systems will receive drinking water meeting health-based standards promulgated in or after 1998.

public health protection established in 1998 and later drinking water rules.

- Enhancing regulation of vessel discharges and pollution, developing ballast water standards for aquatic nuisance species, and bolstering its ocean dumping responsibilities regarding site evaluation, designation, monitoring, permit review, and concurrence.
- Protecting Wetlands. In 2001, the Supreme Court determined that some isolated waters and wetlands are not regulated under the Clean Water Act. Millions of acres of waters are no longer protected under Clean Water Act Section 404. EPA is proposing to provide an increase of \$5 million in grants to states and tribes to help them protect these waters as part of comprehensive programs that will achieve no net loss of wetlands.
- Great Lakes Legacy Act. In support of the Great Lakes Legacy Act, EPA is requesting \$15 million in funding for contaminated sediment cleanup activities. In 2004, the Agency plans to begin cleanup on two to three new sites that will lead to the remediation of over 100,000 cubic yards of contaminated sediments. Some of this funding will also be used for assessment and analysis, resulting in additional cleanups.
- Helping States Address Nonpoint Source Pollution. The new Farm Bill provides EPA and the states an opportunity to accelerate national efforts to control nonpoint source pollution. EPA and state water quality agencies will work closely and cooperatively with USDA, conservation districts, and others to combine our strengths. Using CWA Section 319 dollars, states will focus more of their efforts on providing the monitoring and watershed-planning support needed by the agricultural community to target their work most effectively on the highest-priority water quality needs. In addition, states will also increase their focus upon nonpoint source activities that are not funded under the Farm Bill (e.g., urban runoff, forestry, abandoned mines, and a variety of stream and stream bank restoration activities).

- Extending the Federal Commitment to the Clean Water and Drinking Water State Revolving Funds (SRFs). The President's Budget proposes to fund the Clean Water SRF at \$850 million through 2011 and increase the long-term revolving level by \$800 million to \$2.8 billion, a 40 percent increase over the previous goal. This extended funding of \$4.4 billion is projected to close the \$21 billion gap between current capital funding levels and future water infrastructure capital needs estimated by EPA. EPA also proposes to fund the Drinking Water SRF at \$850 million through 2018 so it can revolve at \$1.2 billion per year, an increase of 140% over the previous goal of \$500 million.

- Safe Drinking Water in Puerto Rico. Less than 20% of the people in Puerto Rico receive drinking water that meets all health-based standards. As a first step toward improved public health protection, the Agency requests \$8 million to design necessary infrastructure improvements to Metropolitan, Puerto Rico. When these infrastructure improvements are completed, EPA estimates that about 1.4 million people will enjoy safer, cleaner drinking water.

- Drinking Water Research. To strengthen our ability to characterize and manage risks to human health posed by exposure to waterborne pathogens and chemicals, the Agency has established an integrated, multi-disciplinary research program in the areas of exposure, health effects, risk assessment, and risk management. The FY 2004 budget request directly supports SDWA priorities, including: 1) research on sensitive subpopulations, adverse reproductive outcomes and other potential health effects of drinking water contaminants; 2) studies on disinfection by-products (DBPs), arsenic, complex mixtures, and the occurrence of waterborne disease in the U.S.; and 3) development of methods to improve water treatment and maintain water quality in the distribution system.

- Water Quality Research. The water quality research program will demonstrate integrated and stakeholder driven approaches to achieving water quality goals, as well as: 1) focus on the development of watershed diagnostic methods; 2) focus on understanding the importance of critical habitats; 3) focus on the impacts of habitat alteration on aquatic communities; and 4) support the development of ecological criteria, providing the scientific foundation to support Total Maximum Daily Loads (TMDLs).

Better Protected Land

Cleaning Up Toxic Waste

Superfund at Work. This budget continues a commitment to clean up toxic waste sites with \$1.39 billion for Superfund. This budget request includes \$150 million over the FY 2003 President's Budget to address an additional 10-15 construction projects at Superfund sites across the nation. The Agency will also work to maximize the participation of responsible parties in site cleanups while promoting fairness in the enforcement process. EPA will continue the progress we have made in cleaning up toxic waste sites while protecting public health and returning land to productive use. As of December 29, 2002, EPA completed all final cleanup plans at over 1,000 Superfund National Priority List (NPL) sites, undertaken over 7,300 removals at hazardous waste sites to immediately reduce human health and environmental threats, assessed over 44,400 sites, and removed more than 33,100 sites from the national toxic waste site list to help promote the economic redevelopment of these properties. The waste research program continues to support the Agency's objective of reducing or controlling potential risks to human health and the environment at contaminated waste sites by accelerating scientifically-defensible and cost-effective decisions for cleanup at complex sites, mining sites, marine spills, and Brownfields in accordance with CERCLA.

- **Revitalizing Local Economies and Creating Jobs Through Brownfields Cleanup and Redevelopment.** The FY 2004 budget request includes \$210.7 million for the Brownfields program. The \$10 million increase in state grants will support the redevelopment and revitalization of Brownfields communities by providing funding for additional assessments at hazardous waste and petroleum-contaminated properties and for voluntary state cleanup programs. The Brownfields program will continue to promote local cleanup and redevelopment of industrial sites, returning abandoned land to productive use and bringing jobs to blighted areas.

Strong Science

The FY 2004 budget supports EPA's efforts to further strengthen the role of science in decision-making by using sound scientific information and analysis to help direct policy and establish priorities. Using the Administration's Research and Development Criteria

The Agency will verify 35 commercial-ready air, water, greenhouse gas, and monitoring technologies, and provide this information to States, technology purchasers, and the public.

(relevance, quality, and performance), the Agency will achieve maximum environmental and health protections by employing the highest quality scientific methods, models, tools, and approaches. This budget request includes \$607 million to develop and apply strong science to address both

current and future environmental challenges. The budget request supports a balanced research and development program designed to address Administration and Agency priorities, and meet the challenges of the Clean Air Act (CAA), the Safe Drinking Water Act (SDWA), the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), the Food Quality Protection Act (FQPA), and other environmental statutes. Important new or increased research efforts to reinforce environmental decision-making include computational toxicology (including genomics and bioinformatics), childhood cancer and asthma research, and environmental indicators research. All of these will allow EPA to measure progress in achieving cleaner air, safer water, and better protected land resources by assessing actual impacts on human health and ecological quality and will provide the foundation for the Agency's State of the Environment Report.

Broad-Based and Multi-Media Approaches

Agency-wide Information Technology Advances

The FY 2004 Budget reexamines our information technology challenges in order to support E-Government, an element of the President's Management Agenda. Environmental information plays a particularly significant role in EPA due to the Agency's reliance on scientific and

Performance across the Agency will benefit from building and maintaining an Agency-wide infrastructure in terms of support to:

- Sound science and environmental decision-making;
- Web services addressing stakeholder and e-gov priorities; and,
- Consistent desktop access.

analytical data and its need for close collaboration with external partners. EPA strives to provide the right information, at the right time, in the right format, to the right people. The Agency is adapting to the explosion of emerging technologies and the information management revolution that are enabling organizations to become more productive, more effective and timely in decision making, and service oriented. The challenge is to provide secure, reliable, and timely access to data and tools for internal and external stakeholders at the lowest possible cost.

In FY 2004, EPA will continue its development of the National Environmental Exchange Network. The Exchange Network is an electronic method of sharing

Forty-six States will use CDX as the means by which they routinely exchange environmental data with two or more EPA media programs or regions.

environmental data using secure points of exchange, or "Nodes." The Primary components of the Exchange Network are the National Environmental Information

Exchange Network Grant Program and the Central Data Exchange (CDX). The grant program assists states and tribes in evaluating their readiness to participate in the Exchange Network, enhances their efforts to complete necessary changes to their information management systems to facilitate Exchange Network participation, and supports state information integration efforts. The grant program also will provide training and other technical assistance programs to assist states and tribes in developing and implementing the Exchange Network.

The CDX is the focal point for securely receiving, translating, and forwarding data to EPA's data systems--the electronic reporting gateway to the Agency's information network. The CDX satisfies the Government Paperwork Elimination Act mandates by providing the infrastructure necessary to implement electronic signature and electronic filing of mandated EPA reports. In FY 2004, the CDX infrastructure, a key component of the Exchange Network, will service 46 states and at least 2,000 private sector and local government entities. These facilities will use it to provide data to EPA electronically. By widely implementing an electronic reporting infrastructure, the CDX will reduce reliance on less efficient paper-based processes, thereby improving data quality, reducing reporting burden, and simplifying the reporting process.

In FY 2004 the Agency will continue the development of its Environmental Indicators Initiative (EII) in order to establish a set of performance indicators that measure environmental results. Environmental indicators are an important tool for simplifying, analyzing, and communicating information about environmental conditions and human health. EPA is in the process of identifying environmental indicators that will be used to produce a draft State of the Environment Report in FY 2003. EPA is also reviewing these indicators to identify gaps and set long-term priorities for the EII. These indicators are designed to measure the impact of human activities on the environment and associated health effects on communities and ecosystems.

Working with States for Effective, Sensible Enforcement

Many of the environmental improvements in this country during the past 30 years can be attributed to a strong set of environmental laws and EPA's efforts to ensure compliance with those laws through enforcement,

A strong enforcement program identifies and reduces noncompliance problems, assists the regulated community in understanding environmental laws and regulations, responds to complaints from the public, strives to secure a level economic playing field for law-abiding companies, and deters future violations.

compliance monitoring, compliance assistance, and compliance incentives. The combination of these tools, in cooperation with our regulatory partners, provides a broad scope of actions designed to protect public health and the

environment. State, Tribal and local governments bear much of the responsibility for ensuring compliance, and EPA works in partnership with them and other Federal agencies to promote environmental protection. The FY 2004 request includes an increase of 100 workyears over the FY 2003 President's Request to implement enforcement for states without delegated programs, for non-delegable programs such as Superfund, or for compliance assistance activities.

The FY 2004 request will continue to support the regulated community's compliance with environmental requirements through voluntary compliance incentives and assistance programs. The Agency will provide information and technical assistance to the regulated community

Increase the regulated community's compliance with environmental requirements through their expanded use of compliance assistance. The Agency will continue to support small business compliance assistance centers and develop compliance assistance tools such as sector notebooks and compliance guides.

through the compliance assistance program to increase its understanding of all statutory or regulatory environmental requirements, thereby reducing risk to human health and the environment and gaining measurable improvements in compliance. The program will also continue to develop strategies and compliance assistance tools that will support initiatives targeted toward improving compliance in specific industrial and commercial sectors or with certain regulatory requirements.

Ensuring Safe Food

The FY 2004 request includes \$151.6 million to meet implementation challenges of the Food Quality Protection Act (FQPA) of 1996 so that all Americans will continue to enjoy one of the safest and most affordable food supplies in the world. The Agency's implementation

By the end of 2004, EPA will reassess a cumulative 78% of the 9,721 pesticide tolerances required to be reassessed over ten years.

of FQPA focuses on new science-driven policies for pesticides review, seeks to encourage the development of reduced risk pesticides to provide an alternative to the older versions on the market, and to develop and deliver information on alternative pesticides/techniques and best pest control practices to pesticide users. The Agency is also working to help farmers' transition--without disrupting production--to safer substitutes and alternative farming practices. Reassessing existing tolerances ensures food safety, especially for infants and children, and ensures that all pesticides registered for use meet current health

standards. This budget request also supports FQPA research. That research seeks to reduce uncertainties in risk assessment by developing tools to reduce reliance on

default assumptions and support the development of new assessment methodologies.

Homeland Security

The Environmental Protection Agency's FY 2004 Annual Plan and Budget requests \$123 million and 142 FTE to support the Agency's Homeland Security responsibilities in accordance with the Public Health Security and Bioterrorism Preparedness and Response Act of 2002, the National Strategy for Homeland Security, and Presidential Directives (PDD) 39, 62, 63. This request allows the Agency to continue providing leadership for the

protection of the nation's critical water infrastructure while upgrading and improving our emergency response capabilities.

In addition, EPA will conduct research and provide guidance and technical support for Federal, state, local governments, and other institutions in the areas of building decontamination, water security, and rapid risk assessment.

A Commitment to Reform and Results

The Agency is committed to achieving the Administration's management reform priorities for a government that is results-oriented, citizen-centered, and market-based. This Annual Plan and Budget represents a strong commitment to reduce regulatory burdens and streamline Agency operations, so that the Agency's focus is on positive and measurable environmental results while working more effectively with our partners and stakeholders. Since FY 1999, EPA has undertaken significant management reform by restructuring its budget to match the strategic goals and objectives of its strategic

plan under the Government Performance and Results Act (GPRA). Since then, EPA has worked consistently to improve its ability to manage for results. The Agency's current management reform agenda fully supports the goals of the President's Management Agenda, and EPA has made demonstrable progress in carrying out the five government-wide initiatives as reflected in Executive Branch Scorecard updates and in delivering environmental results to our ultimate customer--the American people.